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Approved For Release 1999/09/10 : CIA-RDP82-00283R000100170005-4

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SECURITY INFORMATIONEconomic Intelligence Committee

Minutes of Meeting held in
Room 2101, Temporary "M" Building
26th and Constitution Avenue, N. W.

15 April 1952

PRESENT:

25X1A9a Mr. Robert Amory, Jr., CIA, Chairman
 25X1A9a [REDACTED], CIA, Executive Secretary
 25X1A9a [REDACTED] CIA
 25X1A9a [REDACTED] CIA
 25X1A9a [REDACTED] CIA
 Mr. Edward Doherty, State
 Mr. Howard Wiedemann, State
 Mr. Joseph Yager, State
 Mr. John Kullgren, Army
 Cdr. Donald C. Deane, Navy
 Dr. James T. Lowe, Air Force
 Mr. Paul Ledet, Air Force
 Mrs. Ruth Sutherland, Munitions Board
 Mr. Edward Denison, Commerce
 Mr. P. L. Brokaw, Interior
 Mr. William Welk, NSA

APPROVAL OF MINUTES

1. Action: The minutes of the Economic Intelligence Committee meeting of 27 March 1952 (EIC-M-14) were approved.

PROGRESS REPORT ON NIE-56, "LIKELIHOOD OF LOSS OF IMPORTANT ECONOMIC RESOURCES IN SELECTED FOREIGN AREAS," AND DISCUSSION OF PROCEDURE FOR FINAL REVIEW BY THE EIC

2. Action: It was agreed that EIC members would indicate their concurrence in the release of the finished portion of NIE-56 to ONE by telephone calls to the Executive Secretary.

3. It was further agreed that, after the ONE need had been satisfied, a post-mortem on the Working Group procedure as well as the substance of the paper would be held. A refined version of the EIC contribution to NIE-56 would then be issued as an EIC paper.

4. The Executive Secretary was directed to include in a letter of transmittal to ONE, as a matter of record, essential points on the development of this study.

*file
EIC
minutes*

25X1A9a
4/28

checking

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*final EIC
paper*

to arrange for

*5 Apr 52
ADP/28*

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5. Discussion: [REDACTED] CIA, Chairman of the EIC Working Group on NIE-56, gave a report on the present status of NIE-56 and discussed briefly the way in which the study had been handled by the Working Group. The basic reports have been completed and a finished consolidated report on the Far East (the first area to be tackled) should be distributed to EIC members within one week. It was pointed out that all representatives on the Working Group concur with the basic and consolidated reports.

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6. [REDACTED] pointed out that, for the preparation of contributions to NIE's in the future, it would be helpful to have a few additional EIC Subcommittees established and that a procedure should be worked out to facilitate the handling of contributions to such papers by non-IAC agencies.

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7. Work on the last two areas to be covered by NIE-56--Latin America and Africa--will be undertaken at once.

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PROGRESS REPORT ON THE "ECONOMIC CAPABILITIES OF THE SOVIET BLOC TO SUPPORT A GENERAL WAR"

8. Action: The EIC Chairman and Dr. Lowe, Air Force, are to discuss further the question of Air Force's contribution to this study and attempt to have responsibility for it assigned to Air Targets Branch so that it can be completed with as little additional delay as possible.

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9. Discussion: A Memorandum for the Record covering progress of this project, prepared by [REDACTED], CIA, Chairman of the Working Group, was distributed to EIC members. (This memorandum as revised to reflect the results of discussion between [REDACTED] and Mr. Amory is annexed to these Minutes.) Responsibility for preparing the Air Force contribution was reported to be in the process of being reassigned with the prospect that at least eight weeks would be required for its completion if Air Targets Branch were to do it. If assignment were made to any other unit of the Air Force, an even longer delay would result. It will be necessary in any event to request a further extension of the deadline for the first phase of the paper to sometime in June at the earliest.

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10. There was a lengthy discussion on the focus of this project. It was generally agreed that the project was to combine the feasibility test requested by the JIG with the identification of strong points and weak points in our combined intelligence and intelligence information.

11. A discussion of the amount of supervision which the EIC should give to Working Groups and Subcommittees resulted in no specific action other than agreement that the Executive Secretary should keep EIC members informed of progress on various studies being carried forward by Working Groups.

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PROGRESS REPORT ON NIE-40, "POTENTIAL ECONOMIC GAINS OF USSR RESULTING FROM THE ACQUISITION OF CONTINENTAL WESTERN EUROPE IN MID-1952"

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12. Action: EIC members are to notify the Executive Secretary by telephone as to whether or not they concur in the release of NIE-40 to ONE
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13. Discussion: [REDACTED] CIA, reported that the Summary has been approved by the Working Group and that Working Group members were instructed to notify their representatives on the EIC of their concurrence. A correction sheet will be forwarded with the mimeographed summary to ONE. Work will then proceed on the review and editing of both the sector papers and the summary for distribution as EIC reports.

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DISCUSSION OF MODUS OPERANDI FOR [REDACTED] INTELLIGENCE ON INDOCHINA AND BURMA

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14. Action: It was agreed that in accordance with IAC decision on 14 April, the examination of pertinent intelligence questions on Indochina and Burma [REDACTED] would be considered a CIA project and that other agencies represented on the EIC would assist. As the first step, the agencies agreed to review and offer suggestions and comments on a list of questions circulated by CIA. A revised list would then be submitted to [REDACTED] in exchange for a list being drawn up by the latter. Before agreement on the final composite list, CIA will consult again with IAC agencies.

Discuss with Amory

15. Discussion: Mr. Amory explained that the main reasons for this exercise are (1) to see how closely the two sides can agree on the answers to selected questions of fact, (2) to anticipate the possibility of emergency factual research on this area, and (3) to avoid the possibility of divergent estimates being arrived at by [REDACTED] solely because of reliance on inconsistent conclusions of fact which could be resolved by timely cooperative investigation. The project will not enter into the field of estimates at all and will be handled more or less informally.

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DISCUSSION OF GOVERNMENT-WIDE SURVEY OF INTELLIGENCE RESEARCH RELATING TO THE CHINESE COMMUNIST ECONOMY

17. Action: A report on the results of this survey was distributed at the meeting. EIC members are to indicate their approval by telephone or send their comments to the Executive Secretary by 18 April.

was is calling call

18. When concurrences are received from all EIC members concerned, the Executive Secretary is to forward the report to ONE to provide a basis for their making recommendations to the IAC on what can be done to improve the critical deficiencies in economic intelligence on this area.

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19. Discussion: The critical deficiencies presented by the report on the EIC survey of intelligence research relating to the Chinese Communist economy was discussed. It was pointed out that a survey of research on this area being conducted by non-government agencies might be worthwhile. The ineffectiveness of the collection program on this area was also discussed.

DISCUSSION OF THE TRANSPORTATION SUBCOMMITTEE SURVEY

20. Action: The Executive Secretary was directed to notify the EIC Subcommittee on Transportation that it is to prepare an appendix to their survey to show end-uses of information which is listed under gaps. This appendix would be useful to the Interagency Priorities Committee in establishing collection priorities for filling the gaps.

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APPROVAL OF NEW SUBCOMMITTEE MEMBERS AND EXECUTIVE SECRETARIES

21. Action: The appointment of [REDACTED]s, Special Assistant to the AD/RR to the Economic Intelligence Committee was announced.

22. The following changes in EIC Subcommittee membership were approved:

Subcommittee on Chemicals

Mr. Ralph Muir
Chief, Combined Materials Branch
Industry Division
Mutual Security Agency
(to replace Theodore Sweet as
alternate Subcommittee member)

Subcommittee on Transportation

Lt. Cdr. J. A. Meyertholen
OP-322-F3C
(alternate to Lt. Cdr. G. C. Stock)

Lt. Cdr. E. T. Edmonson
Transportation Section
Target Research Branch
Department of Air Force
(alternate to Mr. Paul Bloom)

Mr. Serge Koushnareff
Transportation Division, OIT
Department of Commerce
(alternate to Mr. Herbert Ashton)

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Mr. Arthur Fridinger
US Maritime Administration
Department of Commerce
(alternate to Mr. Irwin M. Heine,
associate member)

Mr. P. Alan Bliss
AFOIN - T/TR
Department of the Air Force
(consultant to replace Mr.
R. J. Foley)

Working Group on NIE-59

Mr. Carl P. Blackwell
Assistant Director
International Economic Analysis
Division
Office of International Trade
Department of Commerce
(to replace Mishell George)

Miss Frances Hall
Chief, Foreign Trade Section
International Economic Analysis
Division
Department of Commerce
(alternate to Mr. Blackwell; to
replace Albert Farwell)

*Are all
of the lists
up-to-date*

23. The following persons were approved to serve as Executive Secretaries of EIC Subcommittees:

Subcommittee on Economic Analysis

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Subcommittee on International Trade and Finance

25X1A9a [REDACTED]

Subcommittee on Population and Manpower

25X1A9a [REDACTED]

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Subcommittee on Chemicals

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24. The designation of [REDACTED] as Chairman of the EIC Subcommittee on Economic Analysis was announced.

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[REDACTED]
Executive Secretary
Economic Intelligence Committee

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